



**U.S. ARMY COMMUNITY & FAMILY
SUPPORT CENTER - USACFSC**
Financial Management Directorate



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**INSTRUCTIONS FOR COMPLETING THE NONAPPROPRIATED FUND (NAF)
CAPITAL PURCHASE MINOR CONSTRUCTION (CPMC) FINANCIAL RETURN
ON INVESTMENT (ROI) TEMPLATE.**

A. INTRODUCTION

1. The CPMC template will compute a return on investment (ROI) for CPMC projects. The template utilizes Lotus 1-2-3 \ Excel software and requires data input from historical income statements. The template will calculate the net present value (NPV), internal rate of return (IRR), and payback period. **ONLY USE NONAPPROPRIATED FUND DATA** to input program financial data into the worksheet.

B. SCHEDULES

1. The template consists of the following schedules:

SCHEDULE	DESCRIPTION
Schedule A & A1	Summary Statements
Schedule B	Projected Renovation and CPMC Costs
Schedule C	Historical and Proforma Program Income Statements
Schedule D	Net Present Value/Internal Rate of Return
Schedule E	Projected Annual Cash Inflows
Schedule F	Cumulative Cash Inflows and Payback Periods
Schedule G	Present Value of One Dollar at Various Interest Rate
Schedule H	Inflation Indices

2. The cells in each schedule are formatted to automatically insert dollar signs, commas, and percentages (as appropriate). All cash projections must be entered in today's dollars **WITHOUT INFLATION** (i.e., constant dollars). The template has been formatted to automatically add inflation (except where noted) to the entered data. The size of cells requiring narratives may require words to

be abbreviated. A discount rate of 6.5%, an inflation rate of 3.5%, and a maximum 20-year life cycle with no residual value are assumed for the ROI analysis.

C. GUIDANCE ON COMPLETING WORKSHEET SCHEDULES

Three (3) schedules require data input:

1. **Schedule A.**

- a. Installation name.
- b. Fund type – normally is “IMWRF” (Installation Morale, Welfare, and Recreation Fund).
- c. Type of CPMC project - - i.e., renovation of bowling center or renovation of restaurant, etc.
- d. Construction cost estimate.
- e. Estimated useful life of project (Note: 20 years is maximum).

2. **Schedule B.** Enter costs (in today’s dollars) for future renovation and CPMC costs. Include the initial furniture, fixtures, and equipment (FF&E) costs in the Projected CPMC column in year 1.

3. **Schedule C.**

- a. Enter the past two fiscal years program income statement data at the level of detail requested; if the current fiscal year data is not available, use budget projections for the missing months or extrapolate existing data, whichever will be more realistic.
- b. Enter projected program financial data for the first full year of operation after the CPMC project is completed. This does not have to coincide with a fiscal year. (Note: Annual depreciation expense will be automatically calculated for future years).

4. **Schedule D.** This schedule may require your “guess” as to the interest rate to use as the basis to begin calculating the internal rate of return. An initial estimate of 10% is shown. If “ERR” is shown, then “guess” in 10% increments, as to the interest rate.

D. PRINTING THE SCHEDULES (Lotus)

1. To facilitate printing the schedules, each schedule is assigned a range name, i.e., Schedule A, Schedule B, etc. When printing, you may select the page to print by using the range name assigned to the particular schedule. For example, using Windows commands:

To setup the page for printing - - click on the following with your left mouse button:

- a. "File"
- b. "Page Setup"
- c. "Size - fit all to page"
- d. "Orientation" - - select either portrait or landscape
- e. "OK"

To print the particular schedule - - click on the following with your left mouse button:

- a. "File"
- b. "Print"
- c. "Selected range" - - and type in the range name, i.e., Schedule A
- d. "OK"

You would then repeat the Print commands for all schedules you wish to print.

2. Alternate Printing - Built-in MACRO.

An alternative way to print all the schedules is by use of the built-in print-macro. If your version of Lotus supports the macro, then the following steps will print all of the schedules:

Use your "mouse" and left click on:	<i>Tools</i>
then left click on:	<i>Macro</i>
then left click on:	<i>Run</i>
then left click on:	<i>Print Schedules</i>
and finally, left click on:	<i>OK</i>

3. Excel will support the built-in MACRO in a similar manner. If a dialogue box opens that asks if you want to use the Macro, select the "Enable Macros" button. Selecting "Tools" then "Macro" then "Macros" then "Run" will allow printing. The next screen will show the first page of the worksheet. When on this screen, please left click the "print" button to begin printing.

E. ADDITIONAL INFORMATION.

Should you have any questions or comments, please contact Mr. Chris Ryan, CFSC-FM-C, (703) 681-7305 or DSN 761-7305.